

Message Text

LIMITED OFFICIAL USE

PAGE 01 ROME 09445 222009Z
ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 /126 W
-----080782 230418Z/17

R 221850Z MAY 78
FM AMEMBASSY ROME
TO SECSTATE WASHDC 2988
INFO AMEMBASSY BRUSSELS
USMISSION GENEVA
AMEMBASSY LONDON
AMEMBASSY PARS

LIMITED OFFICIAL USE ROME 9445

USEEC

USMTN ALSO FOR MISSION

E.O. 11652 N/A
TAGS: MTN, ETRD, IT
SUBJ: SUBSIDY/CVD NEGOTIATIONS: VISIT TO ROME

REF: STATE 121048

1. STR GENERAL COUNSEL RICHARD RIVERS MET WITH RAFFAELE TRIOLI, DIRECTOR GENERAL FOR TRADE AGREEMENTS, MINISTRY OF FOREIGN TRADE, ON MAY 17 AND WITH MINISTER ENRICO MACCHIA, DEPUTY DIRECTOR GENERAL FOR ECONOMIC AFFAIRS, AND ROBERTO NIGIDO, DIRECTOR OF OFFICE VI (TRADE POLICY), BOTH OF MINISTRY OF FOREIGN AFFAIRS, ON MAY 18 TO EXPLAIN FIRST-HAND CURRENT U.S. POSITION IN SUBSIDY/COUNTER-VAILING MEASURES NEGOTIATIONS IN MTN.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ROME 09445 222009Z

2. IN EACH MEETING RIVERS REVIEWED NEGOTIATING HISTORY, NOTING SLOW PROGRESS THUS FAR, AND EMPHASIZING IMPORTANCE OF WORKING OUT AGREEMENT ON THIS ISSUE. HE NOTED THAT IT ESSENTIAL THAT GREATER DISCIPLINE BE APPLIED TO SUBSIDIES IF U.S. TO APPLY INJURY TEST TO ITS COUNTERVAILING MEASURES. HE CAREFULLY DESCRIBED, EXPLAINED AND JUSTIFIED EACH ELEMENT OF CURRENT U.S. PAPER ON SUBSIDIES (GIVEN TO EC COMMISSION NEGOTIATOR BEFORE PARL 22-26 BILATERAL

CONSULTATIONS SESSION IN GENEVA; TRIOLI AND MFA OFFICIALS HAD COPIES OF U.S. PAPER PRESUMABLY PASSED NEGOTIATIONS OR DECISIONS BY VISITING CAPITALS. HE WAS JUST ATTEMPTING TO ASSURE THAT U.S. POSITION WAS THOROUGHLY UNDERSTOOD.

3. TRIOLI WAS CAUTIOUSLY RECEPTIVE TO U.S. TWO-TRACK (INJURY AND NULLIFICATIONS/IMPAIRMENT) APPROACH, EMPHASIZING NONETHELESS THE SENSITIVITY OF THE ISSUES AND THE DIFFICULTIES OF GETTING THE VARIOUS GOI MINISTRIES TO ACCEPT AN AGREEMENT ALONG THE LINES OF U.S. POSITION. HE SUGGESTED THAT BEST PROCEDURE IN THIS NEGOTIATION MIGHT BE TO DIVIDE IT INTO AS MANY SEPARATE SLICES AS POSSIBLE AND DEAL WITH IT A SLICE AT A TIME. HE ASKED WHETHER U.S. EXPECTED CONCLUDE SUBSIDY/COUNTERVAILING MEASURE NEGOTIATION BY JULY 15. RIVERS REPLIED THAT BY THAT TIME A JOINT BUT STILL BRACKETED TEXT SHOULD BE IN HAND. TRIOLI SAID NEXT STEP WAS FOR HIM TO CONSULT WITH HIS EC COLLEAGUES BEFORE UNDERTAKING JOB OF COORDINATING GOI RESPONSE TO U.S. POSITION.

4. MACCHIA, WHO CONFESSED THAT HE WAS NOT FAMILIAR WITH DETAILS OF THE NEGOTIATION, NEVERTHELESS EMPHASIZED MORE THAN TRIOLI THE SENSITIVITY OF DOMESTIC SUBSIDIES. HE ARGUED IN FAVOR OF A GENERAL STATEMENT THAT SUBSIDIES SHOULD NOT HAVE TRADE DISTORTING EFFECTS IN PLACE OF THE GUIDELINES DESIRED BY THE U.S. NIGIDO AND MACCHIA ARGUED THAT IT WAS UNLIKELY AN AGREEMENT COULD BE REACHED IN THE MTN ON SUBSIDIES WHEN EC MEMBER COUNTRIES

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ROME 09445 222009Z

THEMSELVES COULD NOT AGREE ON ACCEPTABLE LEVELS OF NATIONAL SECTTZ AIDS. MACCHIA SAID THE SUBSIDIES ISSUE WAS SIMPLY NOT RIPE FOR NEGOTIATION, THAT IT NEEDED MORE STUDY--PERHAPS IN THE OECD--AND THAT IT SHOULD BE DEALT WITH IN SUBSEQUENT TRADE NEGOTIATIONS. RIVERS AGAIN DESCRIBED THE IMPORTANCE OF THE SUBSIDIES NEGOTIATION TO THE U.S., ESPECIALLY THE CONGRESS, AND THE IMPOSSIBILITY OF ACCEPTING AN INJURY TEST WITHOUT IMPROVING COVERAGE OF SUBSIDIES IN THE GATT. IN RESPONSE TO FURTHER QUESTIONS, HE INDICATED A SUBSIDY/COUNTERVAILING MEASURES AGREEMENT WAS ESSENTIAL TO A SUCCESSFUL CONCLUSION OF THE TOKYO ROUND.

5. COMMENT. DESPITE CAUTION AND NEGATIVE REACTION ENCOUNTERED BY RIVERS, WE BELIEVE HIS VISIT TO ROME WAS VERY USEFUL IN CONVEYING TO KEY GOI OFFICIALS CLEAR PICTURE OF CURRENT U.S. POSITION AND GREAT IMPORTANCE U.S. ATTACHES TO IT. ITALIAN REACTION MAY NOT TURN OUT TO BE QUITE AS BLEAK AS IT APPEARED ON THIS OCCASION AS THERE WERE NUMBER OF INDICATIONS THAT ITALIAN RESPONSES TENDED TO BE ADDRESSED TO FEARS AROUSED IN EARLIER STAGES OF NEGOTIATING PROCESS. MOREOVER, TRIOLI, WHO IS IN PERHAPS BEST POSITION TO INFLUENCE GOI POSITION FAVORABLY, INDICATED HIS PERSONAL ACCEPTANCE OF U.S. CONCEPTS AND HIS

INCLINATION TO WORK FOR AN AGREEMENT.

6. ON MAY 22 ECMIN TOOK OCCASSION OF CONVERSATIONS ON OTHER SUBJECTS TO REVIEW BRIEFLY WITH AMBASSADOR MONDELLO (DG FOR ECONOMIC AFFAIRS) AND MINISTER RUGGIERO (COORDINATOR FOR TRADE AND EC AFFAIRS) THRUST OF RIVERS' PRESENTATIONS AND TO IMPRESS UPON THEM URGENCY OF WORKING TOWARD AGREEMENT ON SUBSIDY COUNTERVAIL ISSUE. GARDNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, VISITS, TRADE AGREEMENTS, MEETING REPORTS, SUBSIDIES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 may 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME09445
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780216-0411
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780533/aaaabld.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: dbb70799-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 121048
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2615332
Secure: OPEN
Status: NATIVE
Subject: SUBSIDY/CVD NEGOTIATIONS: VISIT TO ROME
TAGS: ETRD, IT, MTN, (RIVERS, RICHARD), (TRIOLI, RAFFAELE)
To: STATE USEEC MULTIPLE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/dbb70799-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014